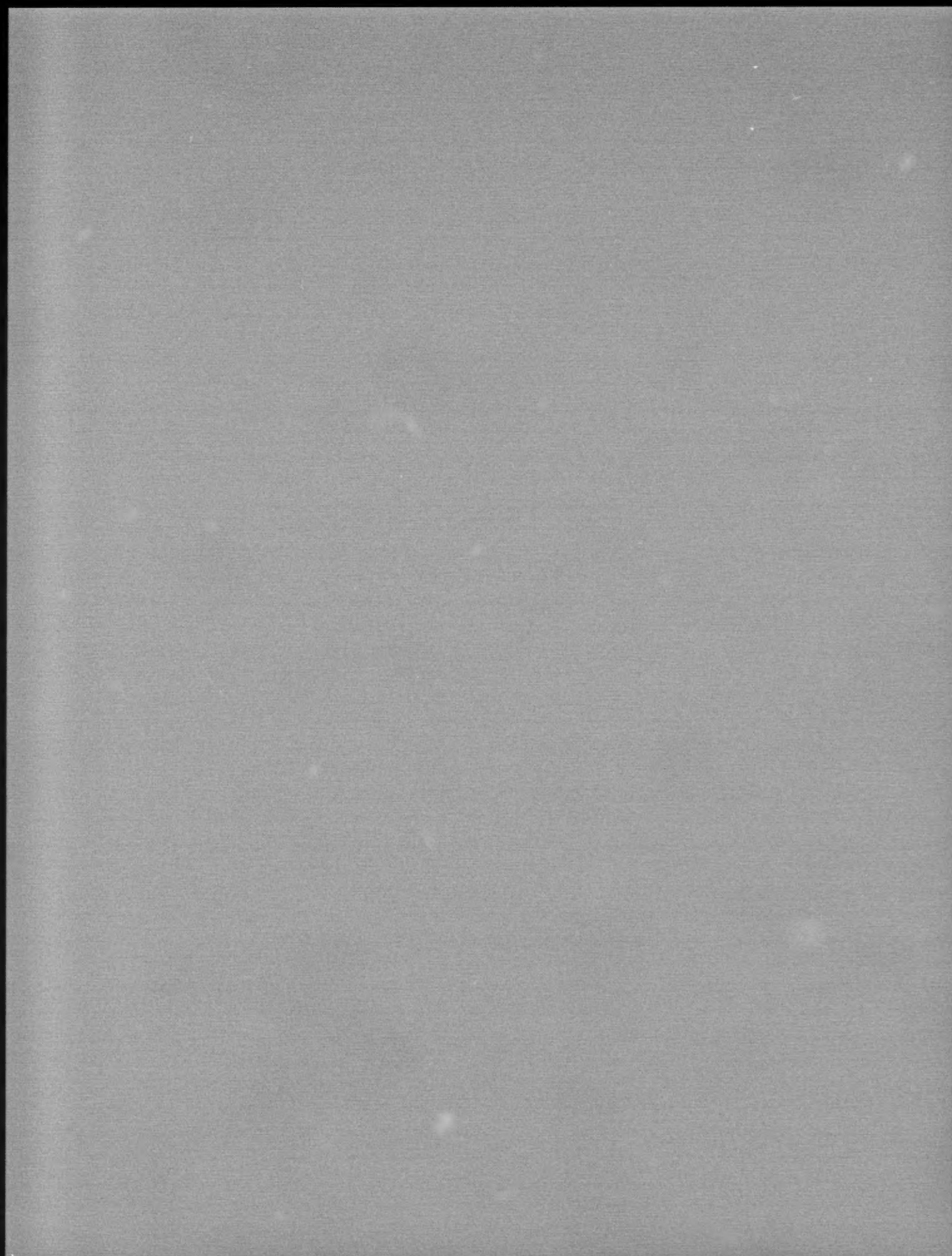




HEQCO ANNUAL REPORT 2011-12

HIGHER EDUCATION QUALITY COUNCIL OF ONTARIO



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PROFILE

Created through the *Higher Education Quality Council of Ontario Act, 2005*, HEQCO is an arm's length agency of the Government of Ontario that undertakes and makes available evidence-based research to promote the continued improvement of the postsecondary education (PSE) system in Ontario. As part of its mandate, HEQCO evaluates the PSE sector and provides policy recommendations to the Minister of Training, Colleges and Universities to enhance the access, quality and accountability of Ontario's colleges and universities.

How can the quality of the Ontario student experience be sustained and enhanced?

Do students acquire the knowledge and skills that prepare them for their personal and professional lives?

What are the barriers to pursuing PSE, barriers to staying or persisting, barriers to graduating?

How are under-represented groups faring in accessing and completing PSE and what strategies will improve their participation?

What are the attributes of a responsive and efficient PSE system, and how can the system and its institutions be more effectively accountable to the public and government for the use of public dollars?

EXPLORES KEY ISSUES

HEQCO

INFORMS SOLUTIONS

HEQCO conducts and commissions studies, assessments and evaluations, often in partnership with Ontario's colleges and universities, on key issues related to postsecondary accessibility, quality and accountability.

HEQCO produces @ Issue papers that synthesize the most current data and research, providing postsecondary decision-makers and the general public with critical insight and information on emerging trends in postsecondary education.

HEQCO evaluates the postsecondary sector and makes that evaluation available to the Ministry of Training, Colleges and Universities (MTCU), and to the general public.

HEQCO informs its research planning and service to the sector through conferences, workshops and outreach.



CHAIR'S MESSAGE

Welcome to HEQCO's 2011-12 Annual Report. This was my final year at HEQCO after six exciting years as chair. Being the chair of this important organization has been a great experience personally and I would like to thank the government for creating this opportunity. To the Premier, whose commitment to postsecondary education is unwavering, to the ministers, deputies and HEQCO staff that I have been privileged to encounter along the way, I extend a great thank you as I have learned a lot in my role. And to the colleges and universities: education transforms us and the missions you uphold are the most noble you could have.

Six years earlier, rose an independent government agency charged with improving the access, quality and accountability of higher education in Ontario. The beginning years brought challenges—uncertainty among stakeholders about HEQCO's role being one of them; independence being another. How was HEQCO to perform the role of an independent government agency—funded by public dollars, accountable to the Minister, and yet still maintain its independence? But challenges are meant to be overcome and I have watched as HEQCO has established its role within the sector as a credible, evidence-based research organization; we have developed a culture of integrity and have numerous accomplishments under our hat.

Since its inception, HEQCO has achieved an extremely impressive amount of research, initiating 150 projects, publishing 78 research reports, two abstracts and 14 @ Issue papers. HEQCO has become the accepted "go to" source for independent, credible research about higher education in Ontario. We are leading the way in learning outcomes research in Ontario, we have

numerous projects exploring teaching and learning at Ontario's colleges and universities, and we're studying financial literacy. I am proud of the work this agency has accomplished.

I'm not the only one who said goodbye to HEQCO this year. I wish to acknowledge the outstanding involvement of two colleagues, Catherine Henderson and David Marshall, whose terms as board members ended in June. They were superb board members in so many ways and we sincerely thank them for their service to HEQCO. I would also like to recognize the many contributions of Ken Norrie, HEQCO's inaugural vice president, research, who retired at the end of December. As HEQCO's first programmatic architect, Ken built the incredibly talented research team; launched a rigorous research plan year after year; introduced HEQCO's @ Issue papers and the annual Review and Research Plan; and solidified the agency's role as a convenor of institutions and innovation. I thank him for his dedication to HEQCO and the improvement of postsecondary education in Ontario.

It's a bittersweet goodbye. I will miss HEQCO and the outstanding staff that are dedicating their time to improving postsecondary education but I'm grateful that HEQCO is in such good hands with the leadership of Harvey Weingarten. Every end has a beginning and this is mine.

Frank Iacobucci, C.C., Q.C.
Chair

PSE IN ONTARIO

Accessibility

Providing access for every qualified student remains a key priority. Government policies and funding have already enabled impressive gains in enrolment. In fact, over the McGuinty years, postsecondary enrolment in Ontario has grown more than any other province in Canada. However, if we are to achieve the government's goal of a 70% postsecondary attainment rate, we must recognize that the 21st century learner is no longer just the 18-24 year-old student going directly from high school to college or university. Rather, to meet the goal of an educated citizenry, we need to do a better job of accommodating older life-long learners; attracting students who are not accessing higher education in appropriate numbers; and encouraging student success for those who are dropping out of postsecondary programs in far too high numbers.

Quality

There is considerable discussion and recognition that the quality of the educational experience in the Ontario postsecondary system has diminished. To no small extent this may be due to the success Ontario has had in increasing enrolment. Nevertheless, quality is the international currency by which higher education systems are evaluated and the value of credentials from Ontario institutions is assessed. Our obligation is to graduate students with credentials that are understood, both within Canada and around the world, as reflecting a high quality, high value, progressive and modern education.

Accountability

All governments are holding their public postsecondary systems to greater account, reflecting greater scrutiny of how they spend the public purse. Holding institutions accountable, however, needs to be balanced against and respectful of institutional autonomy and independence. Governments also seek to ensure that public dollars are spent cost-effectively while maximizing the attainment of publicly desired goals.

Ontario has been hit hard by the recession and faces several years of considerable belt tightening. The province's ability to mitigate and eventually eliminate its anticipated deficits will require a change in the way the public sector is managed and resourced. In short, an acute area of government and institutional focus in the future will be how to grow, do more, and do it better, with little if any incremental resources.

MEETIN OUR GOALS

During the 2011-2012 fiscal year, HEQCO established and set out on achieving four distinct goals.

GOAL NO.1

Be the authoritative source of current research on accessibility, quality and accountability in Ontario's higher education system.

During 2011-12, HEQCO initiated 50 new research projects, while 20 research projects were still underway from previous fiscal years. HEQCO also published 26 research studies and six @ Issue papers. For a complete list of projects and published research, visit heqco.ca.

Accessibility

Because of all the progress that has been made in this domain, HEQCO's research plan de-emphasizes its historically strong focus on access. Our remaining efforts on access concentrate on a better understanding of non-traditional pathways to higher education and effective strategies for increasing the participation of currently under-represented groups in postsecondary education.

The conventional pathway model in postsecondary education has traditionally been one of simple, linear choices, where enrolment immediately after secondary school in either college or university ultimately leads to the attainment of a credential and entry into the labour force. For a number of individuals, however, pathways to PSE are not as direct. Secondary school students who have left prior to graduation, individuals lacking basic skills or appropriate prerequisites, adults returning to school after an absence or time in the workforce, displaced workers, and immigrants with foreign credentials, are all examples where the only route into Ontario's PSE system is a non-traditional pathway.

The Ontario government recently set a goal that 70% of the working age population attain a PSE credential. To reach this goal, Ontario colleges and universities will need to attract and retain these "non-traditional learners."

That's why HEQCO initiated nine projects to explore opportunities for non-traditional pathways to PSE in Ontario. The projects aim to document how many students are using the pathway or pathways of interest, identify the demographic profiles of these students, evaluate the effectiveness of the programs and supports in place to help students succeed, and examine students' aspirations and interests for further education and/or careers. One project will identify factors that adults consider when making their decision to enter PSE, and identify program supports that facilitate their decision-making; while another will examine the effectiveness of the "Dual Credit" and "School within a College" programs that use outreach, transition and retention approaches to assist in student persistence and success.

HEQCO published eight research papers on access. Some addressed financial literacy of low-income students; the gender gap in university participation;

and special needs students and their transitions to PSE. HEQCO also released four @ Issue papers on the participation of low-income students; adult learners in PSE; and other topics.

Quality

The quality agenda dominates HEQCO's current research, including an extensive set of projects on learning outcomes (provincial, national and international), effective teaching methods in large classes and technology-assisted coursework, the relationship between postsecondary education and labour markets, and a comprehensive evaluation of the impact of the provincial and federal investment in graduate studies.

HEQCO initiated a series of research studies with 25 Ontario colleges, universities and organizations to evaluate innovations in teaching and learning. A snapshot of the projects include an evaluation of a teaching assistant program targeted to international graduate students at Western University; an exploration of a lecture capture system at Queen's University to address the issue of large classes; and a project that aims to measure the effectiveness of remedial language programs at Ontario colleges, led by Mohawk College.

What kind of education do students need from our institutions and what skills should these institutions teach and develop in their graduates? HEQCO also began a comprehensive 18-month research program that includes three major projects focused on defining and measuring learning outcomes, working with Ontario's colleges, universities in partnership with international organizations.

- **Originating in Europe to promote mobility, credit transfer and degree recognition, Tuning was designed to establish what students should know and be able to do within a discipline.** In Ontario, the project brings faculty

members from various disciplines together into sector groups of social sciences, physical sciences, and life and health sciences to identify learning outcomes across diploma, degree and master's levels. HEQCO has been working with teams of Ontario college and university faculty, students and employers to identify learning outcomes and create implementation and evaluation plans. The results will be available to all Ontario postsecondary institutions.

- **AHELO is an OECD program to determine if standard generic and discipline-specific tests can be used in different countries to measure what final-year university students know and are able to do.** With Ontario's participation in the global project, MTCU asked HEQCO to administer the pilot test with provincial civil engineering degree programs. The civil engineering pilot is also being undertaken in Abu Dhabi, Australia, Columbia, Egypt, Japan, Mexico, Russia and the Slovak Republic. Three reports will be produced with the findings of the study: institutional reports, a jurisdictional report, and an international report; all of which will support the OECD to determine the feasibility of AHLEO.
- **The Collegiate Learning Assessment and College Collegiate Learning Assessment were developed by the Lumina Foundation and the Council for Aid to Education to identify the value added from a college or university education.** The tools test critical and analytical thinking skills at the beginning and end of a degree/diploma program. Already in use and well regarded in the U.S., the test is being piloted by HEQCO with nine Ontario universities and colleges across a range of disciplines. The pilots will determine the tests' validity and usefulness for future implementation.

HEQCO published 16 reports on quality including a report on the role of new faculty orientations in

improving the effectiveness of university teaching; teaching and learning in large university classes; and the role of student services in Ontario's PSE institutions. HEQCO also released two @ Issue papers on teaching and learning centres in Ontario, and student success.

Accountability

Given the province's economic situation and the likely financial impact on the postsecondary sector, issues related to financial sustainability and

system accountability and design are increasingly prominent on our research agenda. These projects include, among others: continuing advice on system differentiation, the development of a dashboard of indicators to evaluate Ontario's postsecondary system, and evaluation of the cost and quality implications of college-to-university 2+2 programs.

In this area, HEQCO published two research reports on the evolution of the bachelor's degree and implications for Ontario, and lessons for Ontario from international approaches to secondary education.

GOAL NO.2

Share research findings with Ontario's higher education institutions and other stakeholders in ways that encourage evidence-based decisions that will improve the quality of higher education.

During the year, President Weingarten participated in over 200 meetings with stakeholders, including meetings with a delegation of 17 Chinese university presidents to discuss the management (both administrative and financial) of universities in Ontario and the policy-making process; EU Tuning Experts on the Tuning Canada-EU feasibility study; and the Singapore Council for Private Education on the latest developments in Canada's (especially Ontario's) postsecondary education regulation and accreditation.

During 2011-12, HEQCO hosted 10 events, two of which were major international conferences.

On May 19-20, 2011, HEQCO hosted the conference *Measuring the Value of a Postsecondary Education*, inviting an international slate of authorities on

learning assessment to share their expertise with Ontario's postsecondary education sector.

More than 160 leaders and senior administrators from colleges, universities, educational associations, student groups and government attended the conference. Over the two days participants heard about global initiatives in measuring learning outcomes. Among them, the Council for Aid to Education's Collegiate Learning Assessment, a U.S. effort to assess the quality of undergraduate education by directly measuring student learning outcomes; and the European Union's Tuning project to harmonize higher education programs and degrees in defining learning outcomes by subject area.

To find out what you missed, check out heqco.ca. HEQCO will also publish the conference proceedings



in a manuscript in the fall of 2012. Following the conference, HEQCO initiated its 18-month learning outcomes program.

Also taking place in 2011-12 was HEQCO's *Fear of Finance | Financial Literacy and Planning for Postsecondary Education* conference, on November 3-4. The conference brought together leading researchers discussing their work in educational financial literacy and innovators sharing their approaches to improving financial literacy.

Over 180 representatives from colleges, universities, educational associations, student groups and government attended the conference. Participants learned about what we know, are learning and still need to find out about financial literacy; the issues that are unique to youth from low-income families; interventions that could improve postsecondary participation of low-income students; student perceptions of financing PSE; among other topics.

Conference highlights are available at heqco.ca

Other events during 2011-12 included the SoTL Research – Teaching and Learning Workshop on September 7-9, and again on March 27 and 30; meetings of the Work-Integrated Learning Working Group from September through March; Tuning Sector-based Workshops from November through April 2013; a seminar on research opportunities with MTCU data on November 28; and AHELO Institutional Coordinator Training on January 17.

HEQCO staff gave over 60 presentations at education-related conferences and events across Canada as well as internationally. Some presentations include:

- Ken Norrie, Huizi Zhao, and Chris Conway, "Using NSSE Data to Examine Learning Outcomes in Economics." Presentation at the Canadian Economics Association's 2011 Conference, Ottawa, June 2011.
- Susan Bloch-Nevitte, "Hard to Succeed Without Soft Skills." An interactive presentation on communications skills for senior managers at the Toronto YWCA, June 7, 2011.
- Wiggers, R. and Arnold, C. Training New University Faculty: Recent Trends at Canadian Universities. 15th Biennial of the International Study Association on Teachers and Teaching (ISATT), University of Minho, Braga, Portugal, 2011.
- Ursula McCloy, "College Student Mobility Recent Research Findings and Implications" Panel presentation at the College University Consortium Council conference "Student Pathways in Higher Education," January 26-27, 2012, Toronto.

GOAL NO.3

Communicate with interested publics about where Ontario stands in attaining the vision of being an international leader in higher education.

HEQCO doubles its mailing list

One of the goals set out by the Communications Team led by Susan Bloch-Nevitte was to double its mailing list from just over 700 subscribers in April 2011 to 1,400 subscribers by March 2012. HEQCO surpassed this goal, with its mailing list nearing 1,500 subscribers and continuing to grow daily.

HEQCO publishes its first Community Report

Part of HEQCO's mandate, as outlined in the *HEQCO Act*, requires us to report annually to the public on the accessibility, quality and accountability of the Ontario postsecondary sector.

HEQCO's first Community Report took the form of a 4-page supplement in the *Toronto Star* as well as a more detailed version online. The report featured an overview of the research HEQCO has done, and questions and answers featuring high school and college students, and parents. We sought to make this report (and sometimes complex research) more accessible to Ontarians by featuring real people asking real questions about higher education:

- Will I be able to go to college or university?
- Will I graduate with the skills I need to be successful personally and professionally?
- What will postsecondary education look like by the time my kids get there?

The full report is available on our website at heqco.ca. Next year's report will take the form of

a performance dashboard of indicators to evaluate Ontario's postsecondary system.

HEQCO launches its improved website

In early 2011, HEQCO also began a redesign of its website to improve functionality. The new site was launched in April 2011 and includes links to social networks like Twitter, Facebook and YouTube; dedicated pages for blogs, news and events from the community; online video interviews with researchers, authors, students and representatives of the PSE sector; and an overall cosmetic facelift to reflect its new image as the "go-to" organization for media, government policy-makers and the general public for research on key PSE issues.

The past year has seen an increase in media coverage, website hits and e-subscribers. One major reason for this was the alignment of HEQCO research to issues of the day; proactive work with the PSE sector, use of plain language and tapping into social networks.

GOAL NO.4

Provide good governance and manage the council's financial, human and information resources effectively.

HEQCO commissions an external review of its activities

During 2011-12, we commissioned an outside expert to review HEQCO. The reviewer selected was Lorne Whitehead, an internationally recognized expert on higher education research, particularly on matters related to innovative and effective modes of teaching and learning and, more generally, on quality issues in postsecondary education. Dr. Whitehead is a former Provost and Vice-President Academic at UBC and currently UBC's Leader in Education Innovation and a Visiting Fellow at the Carnegie Foundation for the Advancement of Teaching.

We asked Dr. Whitehead to address four questions in his review:

1. In light of HEQCO's mandate as identified in the *HEQCO Act*, how would you assess (i) the scope and quality of the research and publications being conducted and (ii) the dissemination of the research and policy work?
2. Overall, how well has HEQCO fulfilled its mandate to the government and public as identified in the *HEQCO Act*?
3. How would you assess HEQCO's future plans as reflected in the 2011-2012 Research Plan and Communications Strategy?
4. Are there strategic opportunities or challenges for HEQCO in the future in light of the changing postsecondary environment in Ontario, nationally and internationally and what should HEQCO do to seize these opportunities or meet these challenges?

We were delighted by Dr. Whitehead's review. While not sparing us some appropriate criticisms and recommendations for improvement, the review overall is quite laudatory and complimentary of HEQCO and its work to date. Dr. Whitehead notes that the "quality of the research...and its communication are superb." Based on the consultations he conducted, he also concluded that HEQCO "is performing at the top level of international excellence," "is admired and trusted," that it is "...accepted as the go-to source for independent, credible information about higher education in Ontario," and that it "offers great value to the Ministry." The full review is available at heqco.ca.

HEQCO updates its research contracting process

HEQCO streamlined its research contracting process for greater consistency and clarity. New templates for instructions, response forms, interim reports and invoices were created; and contract language and schedules were revised. These changes make it easier for researchers to respond to expressions of interest and requests for proposals, and for staff to evaluate submissions and prepare contracts. In 2012-13, HEQCO looks to further improve this process by implementing CRM software to organize, automate and synchronize its research, communications and administrative activities.

HEQCO also created an Opportunities to Innovate Fund, where we invite organizations and individuals to submit interesting project ideas for potential funding. To be considered for funding, proposed



projects must be consistent with at least one of the three mandated areas of HEQCO activity.

HEQCO creates a Research Consultation Team

To further enhance the quality of our research projects, we created a Research Consultation Team of four high-level researchers and educators who assist our contractors with the design and analysis of their teaching interventions and experiments.

HEQCO reduces staff and saves public dollars

Ken Norrie, HEQCO's vice president, research retired as planned in December 2011. After a thorough search for a replacement, and in consultation with the Board, we decided instead to redesign our organizational structure, redistribute workloads and seek efficiencies through effective use of technologies. This examination involved a comprehensive review of HEQCO's current and anticipated activities. This review resulted in the termination of one other employee who

was involved in the preparation of RFPs and the allocation of some additional responsibilities and duties of the three research directors and other staff.

The net result of these changes is:

1. Greater clarity of the roles and responsibilities of HEQCO employees.
2. Greater job satisfaction of HEQCO employees because of professional development and taking on more satisfying and higher status roles.
3. Greater efficiencies in our operations and enhanced delivery of services to contractors and government.
4. An anticipated annual salary savings of approximately 12% in 2012-13 relative to current operations.

In short, we have successfully implemented measures to reduce costs while enhancing front-line services. Salaries for 2011-12 reflected the Bill 16 wage constraint; wages did not increase but one-time performance bonuses were awarded to staff only after rigorous review. HEQCO also updated its performance management process.

OUTLOOK FOR 2012/2013

HEQCO will continue its research in the areas of access, quality and accountability.

Other projects on access will include:

- An evaluation of the adequacy and efficiency of non-traditional pathways into postsecondary education.
- An analysis of how to ameliorate the high dropout rate of students in apprenticeship programs.

Other projects on quality will include:

- The publication of a monograph on *Measuring the Value of a Postsecondary Education* based on our 2011 international conference, which convened some of the leading learning outcomes experts from around the world.
- In collaboration with the Ontario College Quality Assurance Services and the Council of Ontario Universities, convening a workshop in April 2012 on assessment techniques to measure learning outcomes.
- The publication of an extensive evaluation of the impact of the Ontario investment in graduate student expansion, particularly an examination of the experiences, pathways and labour outcomes of the growing number of doctoral candidates at Ontario universities.
- Research on the relationship between literacy rates and assessments in Ontario high schools and postsecondary institutions, and the importance of literacy as an "essential skill" in the 21st century labour market.
- A comprehensive series of studies on labour market outcomes of students graduating from Ontario postsecondary institutions using the National Graduate Survey.

Other projects on accountability will include:

- The creation of a performance dashboard to monitor the performance of Ontario's postsecondary sector.
- An exploration of how to implement an effective and useful funding model based on negotiated institutional mandates.
- Continuing advice to government on international best practices to transform public higher education systems with the greatest cost effectiveness, with applicability of these practices to Ontario.
- An evaluation of the cost and quality implications of 2+2 (college to university transfer credit) transfer policies and, in general, the implications and outcomes of greater college involvement in degree granting.

HEQCO will also host another international conference in November 2012. *Learning to Earning: Higher Education and the Changing Job Market* will explore postsecondary education and its role in preparing students for the world of work. Research consistently shows that job prospects are considerably better for those with a postsecondary credential, but the challenges of the current world economy are prompting widespread debate on the value of higher education.



BOARD OF DIRECTORS

AND OFFICERS OF THE COUNCIL

The Higher Education Quality Council of Ontario's board of directors brings a rich diversity of perspectives to the Council. Board members draw upon backgrounds in business, postsecondary education, and public service to guide and support the Council's initiatives.

The board of directors is responsible for setting strategic direction of the Council and ensuring that its activities remain aligned with its mandate.

The Council's board of directors met six times during 2011-12: May 17; October 18; two meetings on January 12; February 27; and March 28.

All board appointments are made by the Lieutenant Governor in Council.



**The Honourable
Frank Iacobucci,
C.C., Q.C.**
CHAIR

Term:
May 12/06 to May 11/09
Reappointment:
May 12/09 to May 11/12

The Honourable Frank Iacobucci has had a distinguished career in private legal practice, academe, public service, and the judiciary. He received his B. Comm. and LL.B from the University of British Columbia. He went on to receive his LL.M. and Dip. Int'l L. from Cambridge University. In 1967, he joined the Faculty of Law, University of Toronto, and was a professor of law there until 1985. He also served as vice-president, internal affairs at the University of Toronto from 1975 to 1979 and dean of the Faculty of Law from 1979 to 1983. From 1983 to 1985, he was vice-president and provost of the University. In 1985, he was appointed deputy minister of justice and deputy attorney general for Canada; in 1988, chief justice of the Federal Court of Canada; and in 1991, a justice of the Supreme Court of Canada.

He retired from the Supreme Court of Canada in June 2004 and served as interim president of the University of Toronto from September 2004 until June 2005. On July 1, 2005, he joined Torys LLP as counsel and became chairman of Torstar Corporation. He currently serves as a conduct review advisor for the Canada Pension Plan Investment Board and is a member of the board of directors of Tim Hortons Inc. As well, he is a member of the Law Commission of Ontario. He is a Companion of the Order of Canada.



Norie Campbell
BOARD MEMBER

Term:
Oct. 5/06 to Oct. 4/09
Reappointment:
Oct. 5/09 to Oct. 4/12

Norie Campbell is Executive Vice President and General Counsel of TD Bank Group. From December 2006 to November 2011, she was the Senior Vice President and Assistant General Counsel. From June 2004 to January 2006, she was Vice President and Special Assistant to the Chief Executive Officer. Ms. Campbell obtained her LL.B. (1995) and her LL.M. (Banking & Financial Services, 2003) from Osgoode Hall Law School.

Prior to joining the Legal Department of TD Bank Group in December of 2000, Ms. Campbell practiced at the firm of McCarthy Tétrault LLP in their business law group. Ms. Campbell is a member of the board of directors of the Higher Education Quality Council of Ontario and the St. Christopher House Endowment.



Gisèle Chrétien
BOARD MEMBER

Term:
Sept. 6/06 to Sept. 5/09
Reappointment:
Sept. 6/09 to Sept. 5/12

Gisèle Chrétien served as president of Collège Boréal in Sudbury from 1998 to 2006. Prior to this, she was vice-president of programs and academic support at Collège Boréal, dean of community and health services, and director of health services.

She is currently the chair of the board of directors of the Sudbury Regional Hospital, and chair of the board of directors of TFO.

She holds a diploma in nursing from Cambrian College, a B.Sc. in nursing from Laurentian University, and an M.Ed. from the Ontario Institute of Studies in Education at the University of Toronto.



Navin Dave
BOARD MEMBER

Term:
Sept. 20/06 to Sept. 19/09
Reappointment:
Sept. 20/09 to Sept. 19/12

Navin Dave is the managing partner for global resource leveraging for KPMG.

From 1984 to 1988 he was partner-in-charge of the Calgary office management consulting division. In 1994, he transferred to New Delhi, India as managing partner of KPMG India. On his return to Canada, he was appointed Calgary office managing partner and area managing partner for western Canada.

He holds a B.Sc. in mechanical engineering from the University of London and an M.Sc. in production engineering from the University of Birmingham. He is a fellow of the Institute of Chartered Accountants and a certified management consultant.



Catherine Henderson
BOARD MEMBER

Term:
June 13/07 to June 12/08
Reappointment:
June 13/08 to June 10/11

Currently a management consultant, Catherine Henderson has served as president of the Ontario College of Art and Design, president of Centennial College, and vice-president, academic of Sheridan College. During her distinguished career, she has also held a variety of academic positions at other leading Ontario educational institutions.

She is active in the community and is a member of the boards of the Multiple Sclerosis Society of Canada and the Toronto Waterfront Revitalization Corporation Advisory Committee.

She holds an Ed.D. from the University of Toronto, an M.Ed. from Brock University, a B.A. from the University of Toronto, and a diploma from Sheridan College.



Michael Hill
BOARD MEMBER

Term:
June 11/11 to June 10/14

Michael Hill was named to the HEQCO board in June 2011 for a three-year term. He is the first president emeritus of Northern College of Applied Arts and Technology and a 30-year veteran of the Canadian community college system. He served as president of Northern College in north eastern Ontario from 1999 to 2009. Previously, he was president of Northwest Community College in British Columbia. He received his undergraduate degree in psychology from the University of Victoria and his master's in psychology from the University of Manitoba. He is working toward his doctorate in education from Uppsala University, Sweden, where he specializes in structuring and organizing educational offerings in remote and developing regions.

In a career dedicated to postsecondary education, Hill was involved in the successful lobby to start a new university in northern British Columbia. In 1991, he was seconded to work with the new University of Northern British Columbia to develop a working model for the regional character of the university. He was a participant in an international group working in service to the Omega University Project in Sweden from 1992 to 1995. In 1995, he was seconded by the Government of British Columbia to serve as the interim inaugural president and CEO of Royal Roads University. He also

served as an advisor to the University of the Highlands and Island Projects in Inverness, Scotland while on sabbatical in 1997/98. In 2001, he was named to the Rural and Remote Colleges Task Force of the Association of Canadian Community Colleges—responsible for improving access to postsecondary education and training in rural and remote Canada to ensure on-going social and economic development.



David Marshall
BOARD MEMBER

Term:
June 13/07 to June 12/09
Reappointment:
June 13/09 to June 10/11

David Marshall is president of Mount Royal University, a position he has held since 2003. Prior to joining Mount Royal University, he had a long career in education as a high school teacher, professor and dean. Most recently he served as president and vice-chancellor of Nipissing University and for 13 years led that institution's transition to independent university status. He is currently leading Mount Royal through a similar transformation process.

He is a leader in the postsecondary education sector and has published on higher education management and undergraduate education. He holds various executive positions with several international higher education organizations.

He holds a B.Sc. from the University of Western Ontario, a Diploma in Education from Lakehead University, and an M.Ed. and Ph.D. in educational administration from the University of Alberta.



Deborah Newman
BOARD MEMBER
(non-voting)

Term:
Feb. 25/09 to Feb. 24/12

In December 2008, Deborah Newman was appointed Deputy Minister for the Ministry of Training, Colleges and Universities.

Prior to this appointment, she served for three years as Deputy Minister with the Ministry of Community Safety and Correctional Services. Deborah was responsible for policing, correctional services and public safety, including the Ontario Provincial Police (OPP), oversight of municipal policing, the Centre of Forensic Sciences, the Office of the Chief Coroner, the Office of the Fire Marshal and Emergency Management Ontario.

Prior to joining the Ontario Public Service in 1987, Deborah held a number of senior management roles in correctional services in Alberta.

Deborah Newman holds a Bachelor's degree in Psychology, a Master's degree in Criminology from the University of Ottawa, and is a graduate of the Queen's University Public Executive Program.

OFFICERS OF THE COUNCIL

Harvey Weingarten

PRESIDENT AND CEO
July 1, 2010 – Present

Ken Norrie

VICE-PRESIDENT, RESEARCH
February 8, 2007 – December 31, 2011

INTERIM PRESIDENT

April 1, 2010 – June 30, 2010

Diana Macri

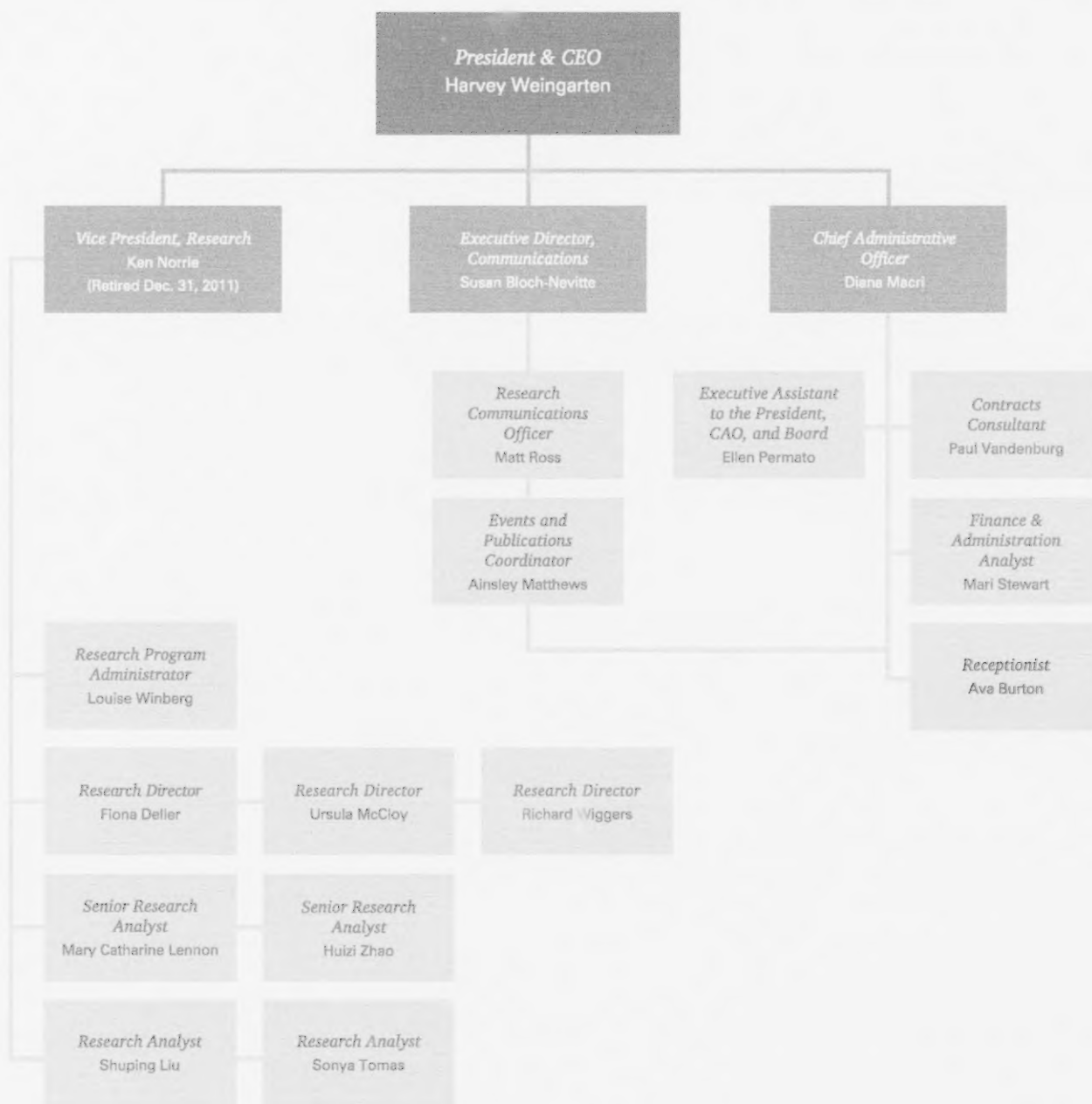
CHIEF ADMINISTRATIVE OFFICER
December 1, 2009 – Present

Susan Bloch-Nevitte

EXECUTIVE DIRECTOR, COMMUNICATIONS
September 7, 2010 – Present

WE ARE HEQCO

BOARD OF DIRECTORS





INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of Higher Education Quality Council of Ontario

We have audited the accompanying financial statements of Higher Education Quality Council of Ontario, which comprise the statement of financial position as at March 31, 2012, and the statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Manager's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement

of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Higher Education Quality Council of Ontario as at March 31, 2012 and the results of its operations, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte & Touche LLP

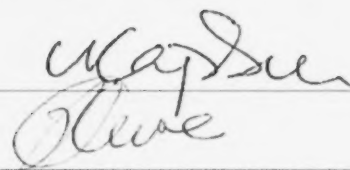
Chartered Accountants
Licensed Public Accountants
July 4, 2012

Statement of Financial Position

As at March 31, 2012

	2012	2011
<i>Financial Assets</i>		
Cash	\$1,674,812	\$1,434,592
HST receivable	\$45,021	\$28,869
Accounts Receivable (Note 3)	\$20,057	—
Interest receivable	\$1,558	\$757
	\$ 1,741,448	\$1,464,218
<i>Liabilities</i>		
Accounts payable and accrued charges	\$ 1,292,512	\$1,256,224
Deferred revenue (Note 4)	\$38,700	—
Due to Ministry of Training, Colleges and Universities (Note 5)	\$433,088	\$187,160
Lease inducement	\$3,215	\$41,800
Deferred capital contributions (Note 6)	\$125,511	\$339,096
	\$1,893,026	\$1,824,280
Net debt	(\$151,578)	(\$360,062)
<i>Non-Financial Assets</i>		
Tangible capital assets (Note 7)	\$125,511	\$339,096
Prepaid expenses	\$26,067	\$20,966
	\$151,578	\$360,062
<i>Accumulated Surplus</i>	—	—

Approved by the board



 _____ DIRECTOR

_____ DIRECTOR

Statement of Operations

Year Ended March 31, 2012

	Budget	2012 Actual	2011 Actual (Note 12)
<i>Revenues</i>			
Provincial funding	\$5,000,000	\$4,748,364	\$4,648,185
Amortization of deferred capital contributions (Note 6)	\$220,100	\$220,067	\$158,580
Interest income	\$9,600	\$11,682	\$7,850
	\$5,229,700	\$4,980,113	\$4,814,615
<i>Expenses (Note 8)</i>			
Governance	\$631,900	\$617,418	\$725,186
Research	\$4,421,700	\$4,210,756	\$3,927,099
Administration	\$176,100	\$151,939	\$162,330
	\$5,229,700	\$4,980,113	\$4,814,615
<i>Surplus for the Year and Accumulated Surplus, End of Year</i>	—	—	—

Statement of Change in Net Debt

Year Ended March 31, 2012

	Budget	2012	2011
<i>Net Debt, Beginning of the Year</i>	\$360,062	\$360,062	\$345,449
Surplus for the year	—	—	—
Acquisition of tangible capital assets	—	\$6,482	\$164,768
Amortization of tangible capital assets	(\$220,100)	(\$220,067)	(\$158,580)
Other adjustments – prepaid expenses	—	\$5,101	\$8,425
<i>Net Debt, End of the Year</i>	\$139,962	\$151,578	\$360,062

Statement of Cash Flows

Year Ended March 31, 2012

	2012	2011
<i>Operating Transactions</i>		
Surplus for the year	—	—
<i>Items not involving cash</i>		
Amortization of deferred capital contributions	(\$220,067)	(\$158,580)
Amortization of tangible capital assets	\$220,067	\$158,580
Amortization of lease inducement	(\$38,585)	(\$38,585)
<i>Change in non-cash operating items</i>		
HST receivable	(\$16,152)	(\$28,869)
Interest receivable	(\$801)	(\$582)
Accounts Receivable	(\$20,057)	—
Prepaid expenses	(\$5,101)	(\$8,425)
Accounts payable and accrued charges	\$36,288	\$571,085
Deferred Revenue	\$38,700	—
Due to Ministry of Training, Colleges and Universities	\$245,928	\$187,047
	\$240,220	\$681,670
<i>Capital Transaction</i>		
Acquisition of tangible capital assets	(\$6,482)	(\$164,768)
<i>Financing Transaction</i>		
Contributions for tangible capital assets	\$6,482	\$164,768
Increase in cash	\$240,220	\$681,670
Cash, beginning of year	\$1,434,592	\$752,922
Cash, End of Year	\$1,674,812	\$1,434,592

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2012

1. The Organization

Formation and status

The authority to create the Higher Education Quality Council of Ontario (the "Council") was established in the *Higher Education Quality Council of Ontario Act, 2005*. The Council is a Crown Agency of the Ministry of Training, Colleges and Universities (MTCU) and is classified as an Operational Services agency.

The Higher Education Quality Council is a corporation without share capital and is not subject to the Corporations Act or the Corporation Information Act. The Council is subject to section 132, subsection 134(1) and section 136 of The Business Corporations Act. As an agent of the Crown, the Council is not subject to income tax.

The Council is, and exercises its powers only as, an agent of the Crown. Limits on the Council's ability to

undertake certain activities are set out in both the Act and The Memorandum of Understanding between the Council and MTCU dated December 6, 2006.

Council operations

The objective of the Council is to assist the Minister of Training, Colleges and Universities in improving all aspects of the postsecondary education sector, including improving the quality of education provided in the sector, access to postsecondary education and accountability of postsecondary educational institutions.

The Council is governed by a Board of Directors who are appointed by Order-in-Council.

2. Significant accounting policies

The financial statements of the Higher Education Quality Council of Ontario are the representations of management prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Accounting policies followed by the Council are as follows:

Accrual basis of accounting

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired, and a legal liability is incurred or transfers are due.

Government transfer payments

The Council is funded solely by the Province of Ontario in accordance with budget arrangements established by MTCU. These financial statements reflect agreed funding arrangements approved by the MTCU.

Government transfer payments from the MTCU are recognized in the financial statements in the year in which the payment is authorized and the events giving

rise to the transfer occur, performance criteria are met, and reasonable estimates of the amount can be made.

Deferred contributions

Certain amounts, including transfer payments from the MTCU, are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the completion of specific work. Funding is only recognized as revenue in the fiscal year the related expenses are incurred or services performed.

Any amounts received that are used to fund the acquisition of tangible capital assets, are recorded as deferred capital contributions and are recognized over the useful life of the asset reflective of the provision of its services. Deferred capital contributions are amortized into revenue in accordance with the amortization policy applied to the related capital asset recorded.

Tangible capital assets

Tangible capital assets are recorded at historical cost. The cost of tangible capital assets contributed is recorded at the estimated fair value on the date of contribution. Where an estimate of fair value cannot be made, the tangible capital asset would be recognized at nominal value.

2. Significant accounting policies (cont)

Maintenance and repair costs are recognized as an expense when incurred. Betterments or improvements that significantly increase or prolong the service life or capacity of a tangible capital asset are capitalized. Computer software is recognized as an expense when incurred.

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	Life of lease

Expenditures for tangible capital assets that are less than \$1,000 are expensed as incurred.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the year. Actual results could differ from these amounts. Estimates relate primarily to accruals for research contracts and amortization of tangible capital assets and related amortization of capital contributions which are based on estimated useful lives of the tangible capital assets.

3. Accounts receivable

Accounts receivable include an amount of \$20,000 due from the Ministry of Training, Colleges and Universities.

4. Deferred revenue

Deferred revenue represents funds collected in advance for the April 2012 symposium.

5. Due to the Ministry of Training, Colleges and Universities

In accordance with the Council's Memorandum of Understanding, funding received in excess of expenditures may be required to be repaid and is recorded as due to Ministry of Training, Colleges and Universities.

6. Deferred capital contributions

During the year, the Council utilized \$6,482 of its MTCU funding (2011 - \$164,768) for additional capital asset purchases. The MTCU funds used to purchase these capital assets have been included as part of deferred capital contribution and are to be amortized into revenue on the same basis as the amortization of the purchased assets.

	2012	2011
Balance, beginning of year	\$339,096	\$332,908
Contributions received	\$6,482	\$164,768
Less amounts recognized in revenue	\$220,067	\$158,580
Balance, end of year	\$125,511	\$339,096

7. Tangible capital assets

				2012	2011
	Computer Hardware	Leasehold Improvements	Furniture and Equipment	Total	Total
Cost					
Opening balance	\$139,125	\$740,405	\$81,761	\$961,291	\$796,523
Additions	\$6,482	—	—	\$ 6,482	\$164,768
Disposals	—	—	—	—	—
Closing balance	\$145,607	\$740,405	\$81,761	\$967,773	\$961,291
Accumulated Amortization					
Opening balance	\$53,958	\$550,581	\$17,656	\$622,195	\$463,615
Current year amortization	\$29,616	\$174,099	\$16,352	\$220,067	\$158,580
Adjustments	—	—	—	—	—
Closing balance	\$83,574	\$724,680	\$34,008	\$842,262	\$622,195
Net Book Value	\$62,033	\$15,725	\$47,753	\$125,511	\$339,096

8. Expenses by object

				2012	2011
	Governance	Research	Administration	Total	Total
Salaries and benefits	\$485,445	\$1,585,999	\$116,743	\$2,188,187	\$2,110,143
Research activities	—	\$2,018,139	—	\$2,018,139	\$1,930,717
Consulting contracts	\$659	\$6,022	—	\$6,681	\$32,508
Other operating expenses	\$131,314	\$600,596	\$35,196	\$767,106	\$741,247
	\$617,418	\$4,210,756	\$151,939	\$4,980,113	\$4,814,615

9. Pension agreements

The Council makes contributions on behalf of its staff to the Public Service Pension Plan (PSPP) administered by the Ontario Pension Board (OPB), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The contribution rates in 2011/2012 were 6.4% of the Year's Maximum Pensionable Earnings (YMPE) plus 9.5% on earnings above the YMPE.

Contributions in the amount of \$85,944 (2011 - \$83,106) are included in expenses on the statement of operations.

10. Lease obligations and other commitments

The Council entered into a lease for 7,670 rentable square feet of office space on the 24th floor of 1 Yonge Street, Toronto, negotiated by the Ontario Realty Corporation, for a term of 5 years beginning May 15, 2007. Rentable square feet increased to 7,717 as a result of landlord's improvements to meet requirements in the Council's lease. Rent is payable monthly.

The Council's lease provided for a cash payment of \$25 per rentable square foot, as a rent inducement. An amount of \$192,925 has been received, and a portion of

this has been amortized to reduce rent expense during the year. Amortization will continue over the term of the original lease.

The Council renewed the lease for an additional 5 years commencing May 15, 2012 and expiring on May 14, 2017. The new Net rate is \$17.00 per square foot (\$15.00 per square foot for May 2007–May 2012).

Minimum annual payments under operating leases are as follows:

Year	Rent	Equipment
2012–2013	\$278,106	\$8,331
2013–2014	\$279,973	\$8,221
2014–2015	\$279,973	\$1,279
2015–2016	\$279,973	–
2016–2017	\$279,973	–
2017–2018	\$34,997	–
TOTAL	\$1,432,995	\$17,831

11. Contractual obligations

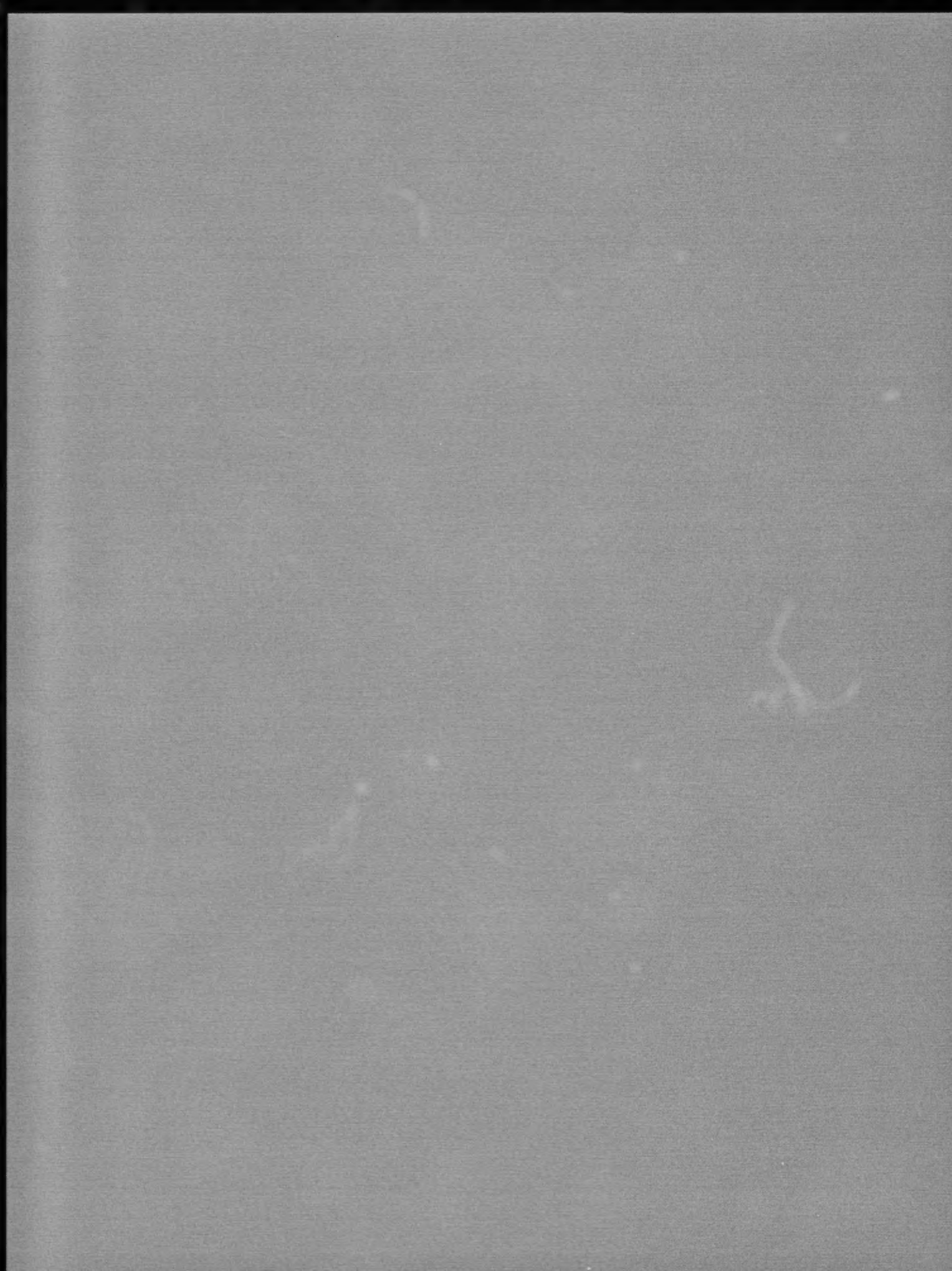
The Council has signed multi-year contracts with academic researchers where deliverables and payments are due over several years up to 2015. The amounts for research services that have yet to be provided and are as follows:

Year	Research Contracts
2012–2013	\$1,342,538
2013–2014	\$608,138
2014–2015	\$108,869
TOTAL	\$2,059,545

12. Comparative amounts

Prior year amounts that were previously included in the Administration category of expenses have been reclassified to Governance and Research expenses in the amount of \$82,745 and \$586,794 respectively, in

order to conform to current year's presentation. In addition, an amount of \$155,450 has been reclassified from Governance to Research expenses in order to conform to the current year's presentation.





Higher Education
Quality Council
of Ontario

An agency of the Government of Ontario

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